

August 15, 2012

ITEM NO. B3

AUTHORIZATION TO 1) DISPOSE OF 1250-1252 W. ROOSEVELT ROAD; 2) ENTER INTO A 99 YEAR GROUND LEASE; 3) COMMIT UP TO \$1,467,000 IN HOPE VI FUNDS FOR DEVELOPMENT OF THE COMMUNITY HUB and 4) EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY TO IMPLEMENT THE FOREGOING AND TO ACCEPT A DESIGN PROPOSAL FOR REHABILITATION OF 1254 S. LOOMIS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to: 1) Dispose of 1250-1252 W. Roosevelt Road; 2) Enter into a 99 Year Ground Lease; 3) Commit up to \$1,467,000 in HOPE VI funds for development of the Community Hub; and 4) Execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing and to accept a design proposal for rehabilitation of 1254 S. Loomis.

FUNDING

Not to exceed \$1,467,000 of HOPE VI Funds and/or Other Funds

M/W/DBE & Section 3 Participation: Heartland Housing, Inc. and Related Midwest will comply with CHA's MBE/ WBE/DBE and Section 3 requirements.

EXPLANATION

Background

Related Midwest and Heartland Housing, Inc. are the developers of Roosevelt Square, the master planned redevelopment of the former ABLA site, which includes approximately 100 acres in the near west side community. The Roosevelt Square master plan includes six separate phases with the commitment to provide a total of 755 new public housing units mixed among additional affordable and market rate rental and homeownership units on-site plus 382 new public housing units off-site.

To date a total of 591 new units have been created at Roosevelt Square under Phases I and II, including 358 new rental units and 233 homeownership units. Of the 358 new rental units, 245 are available for public housing residents.

Existing Community Facilities

Fosco Park Community Center and a portion of the park located at 1312 S. Racine opened in 2006 providing primarily recreational opportunities with an indoor pool, gym, multi-purpose rooms and an early childhood center. The remaining two acre park site to the south will be completed in 2012 providing additional green space with walking paths, a fountain and open lawn for play. Fosco Park Community Center is owned and operated by the Chicago Park District.

1254 S. Loomis currently houses the ABLA LAC office, Family Works program, food program, tenant patrol, computer lab, Employment Plus, summer programming classrooms and community meetings. This property is owned and operated by the Chicago Housing Authority ("CHA") and is planned for rehabilitation to consolidate property management services from the 1324 S. Loomis site with the current

resident services available for families residing at Brooks and Loomis Courts and to help save on operational costs.

1324 S. Loomis currently houses property management services for CHA's Brooks and Loomis Courts serving approximately 456 public housing residents. This building is owned and operated by the CHA and is planned for demolition to provide up to two acres for future residential development.

Proposed Community Hub at Roosevelt Square

Community Hubs for the Roosevelt Square developments are planned under the comprehensive ABLA HOPE VI redevelopment plan and will provide space similar to community centers at other new mixed income development sites. Related Midwest and Heartland Housing, Inc. plan to develop the first multi-purpose Community Hub for Roosevelt Square and community residents near both Phases I and II. The Hub will be owned and operated by Roosevelt Square I Limited Partnership ("RSI LP") and CHA will enter into a long-term ground lease with the RSI LP for the property at the northeast corner of W. Roosevelt and S. Throop Street.

Property Management and Supportive Service Provider Offices

This single story, approximately 7,300 square feet Community Hub will serve a broad cross section of residents living in the area and will complement and expand existing resources in the neighborhood. Of primary importance, the offices of Related Management ("RM") and Heartland Human Care Services ("HHCS") – currently housed in a temporary facility – will have a permanent home in the Hub, which will allow the two organizations to more effectively provide the property management and resident services which are both key to a successful mixed income development. The Hub's central location at W. Roosevelt Rd. and S. Throop St. will encourage all residents of Roosevelt Square and ABLA, regardless of income, to avail themselves of these key services, as well as engage in community building activities, such as computer classes, social functions, and resident meetings.

Community Center Programming

Numerous services led by HHCS and the development team are already underway at Roosevelt Square, including arts programming and urban farming for youth, asset building, case management, and job skills development. The Hub's programming will build and expand on existing programming. Educational opportunities such as employment and technology training are necessary for families to establish self-sufficiency, and ultimately, for Roosevelt Square to be a stable community. Depending on the residents evolving needs and interests, programming may also include financial education, leadership development, small business incubation, and youth enrichment activities.

Moreover, the Hub will satisfy a need currently not addressed by existing community-serving facilities such as the LAC Office, which is focused on serving 456 public housing families and Fosco Park, which focuses primarily on the provision of recreational space and programming.

Community Hub Budget

The development budget for the Hub is approximately \$2.5 million and will be managed within the constraints of the following approximate sources:

- \$1,467,000 – ABLA Homes HOPE VI funds from the Chicago Housing Authority, subject to CHA Board and HUD approvals. The CHA Grant Administration Department anticipates approval from HUD to increase the current \$1,250,000 HOPE VI funding commitment to \$1,467,000 for this Community Hub.
- \$950,000 - Grusecki Family Foundation has pledged \$950,000. Of this amount, \$475,000 will be available at closing, planned for November 1, 2012. The remaining \$475,000 is projected for receipt over the next three years to repay \$475,000 of the Ford Foundation construction funds.
- \$565,000 - Ford Foundation has committed approximately \$565,000 toward the construction of this facility through a combination of Grant and Project Related Investment funds. Of this

amount, \$475,000 will be repaid to the Ford Foundation over three years with Grusecki Family Foundation funds and \$90,000 will remain as permanent financing.

Based on the foregoing, it is in the best interest of the Chicago Housing Authority to: 1) Dispose of 1250-1252 W. Roosevelt Road; 2) Enter into a 99-year Ground Lease; 3) Commit up to \$1,467,000 in HOPE VI funds for development of the Community Hub; and 4) Execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing and to accept a design proposal for rehabilitation of 1254 S. Loomis.

RESOLUTION NO. 2012-CHA-63

WHEREAS,

the Board of Commissioners has reviewed the Board Letter dated August 15, 2012 requesting authorization to 1) Dispose of 1250-1252 W. Roosevelt Road; 2) Enter into a 99 year Ground Lease; 3) Commit up to \$1,467,000 in HOPE VI funds for development of the Community Hub; and 4) Execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing and to accept a design proposal for rehabilitation of 1254 S. Loomis.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT,

the Board of Commissioners authorizes the Chief Executive Officer or his designee to: 1) Dispose of 1250-1252 W. Roosevelt Road; 2) Enter into a 99 year Ground Lease; 3) Commit up to \$1,467,000 in HOPE VI funds for development of the Community Hub; and 4) Execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing and to accept a design proposal for rehabilitation of 1254 S. Loomis.

